

# Office of Attorney General Terry Goddard



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**FOR IMMEDIATE RELEASE**

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## State Sues Tucson Auto Dealer for Deceptive Sales Practices

(Phoenix, Ariz. – July 30, 2008) Attorney General Terry Goddard and Department of Financial Institutions' Superintendent Felecia Rotellini today announced a joint lawsuit against Hurricane Motor Sales (Hurricane), a Tucson used car dealership. Also named in the suit are Hurricane's owners and managers John David Franklin and John David Franklin, Jr. Goddard and Rotellini allege that the defendants violated both the Arizona Consumer Fraud Act and the Arizona Motor Vehicle Time Sales Act.

"The allegations against Hurricane amount to a virtual shopping list of fraudulent acts and deceptive practices," Goddard said. "These are very serious charges, and this office will vigorously fight for the rights of consumers who have been harmed."

According to court documents, Hurricane engaged in deceptive sales practices, including failing to notify consumers that the used automobiles they purchased could not pass state emissions tests and inducing consumers to make payments on auto loans that Hurricane had already sold to other financial institutions.

"To finance car sales, dealers must be licensed by our department and treat customers with honesty and fairness," Rotellini said. "When we receive complaints of unlicensed finance activity and consumer fraud, we will continue to partner with Attorney General Goddard to enforce the laws that protect Arizona consumers."

The Arizona lawsuit alleges that the defendants:

- Deceptively induced consumers to enter into contracts to purchase vehicles from them and to trade their vehicles to them.
- Falsely and deceptively caused consumers to believe that the vehicles consumers purchased could be legally operated in Arizona. In fact, many of the vehicles did not have proper titles or required significant repairs before being able to pass Arizona's emissions test.
- Financed the sale of vehicles without a license from the Arizona Department of Financial Institutions to sell vehicles or provide financing to consumers.

- Falsely and deceptively induced consumers to make finance payments on accounts they had sold to other financial institutions. In multiple cases, this deceptive practice caused consumers to have their cars repossessed by the financial institutions to which the accounts were sold.
- Knew or should have known that these practices violated the Consumer Fraud Act and were therefore willful.

The State's lawsuit seeks to stop the defendants from engaging in these unlawful practices and prohibit them from conducting any future business in Arizona. The suit also asks the defendants to pay \$10,000 to the Department of Financial Institutions for violations of the Motor Vehicle Time Sales Disclosure Act as well as restitution to consumers who were harmed by these practices.

Consumers who feel they have been harmed by Hurricane's practices should contact the Arizona Attorney General's Office Consumer Information and Complaint division at (520) 628-6504 or toll-free outside of Pima County at (800) 352-8431.

Assistant Attorney General Taren Ellis is handling this case. A copy of the complaint is attached.

Auto purchases and repairs are among the most common consumer complaints reported to the Arizona Attorney General's Office each year. For a list of red flags and tips for avoiding auto purchase and repair scams, see the "Top 10 Consumer Scams of 2007" brochure available on the Attorney General's Web site, [www.azag.gov](http://www.azag.gov).

For additional information, please contact Anne Hilby at (602) 542-8019.

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